

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 6842**

**BILL NUMBER:** HB 1439

**NOTE PREPARED:** Jan 11, 2015

**BILL AMENDED:**

**SUBJECT:** Wholesale Auto Dealers, Fees, and License Plates.

**FIRST AUTHOR:** Rep. Nisly

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** ☒ **GENERAL**  
☒ **DEDICATED**  
☐ **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** It provides that wholesale dealers are dealers subject to the jurisdiction of the Dealer Services Division within the Office of the Secretary of State (SOS). (Jurisdiction over wholesale dealers was set to expire July 1, 2015.) The bill also makes corresponding changes.

**Effective Date:** Upon passage.

**Explanation of State Expenditures:** *Secretary of State (SOS):* The bill requires the SOS to reinstate the wholesale dealer classification and rescind all rules adopted to transition wholesale dealers to dealers. This will result in additional administrative costs, but the SOS's current level of resources should be sufficient to reimplement this license type.

**Explanation of State Revenues:** *Summary* - This bill reinstates the wholesale dealer classification. All wholesale dealer licenses and plates currently issued will expire according to the schedule established for all other dealer licenses, instead of on June 30, 2015. Individual wholesale dealers who have not converted to dealers may choose to renew their wholesale dealer license and plates. The fiscal impact could begin in FY 2015 as some wholesale dealers renew their licenses, but the full impact will begin in FY 2016. This bill may annually increase state revenue from wholesale dealer fees by approximately \$48,000.

[The total state and local revenue impact is estimated to be about \$70,000. Of the total impact, deposits to the Motor Vehicle Highway Account (MVHA) would be increased by approximately \$46,000. That would increase State Highway Fund revenue by \$24,000 and distributions to local units by \$22,000.]

There were 485 licensed wholesale dealers as of November 21, 2014.

Additional Information - The fee for a wholesale dealer license is \$20. The fee for wholesaler dealer plates is \$125 for the first two and \$15 for each additional plate.

License fees are distributed in the following manner: 30% Dealer Compliance Account, 40% Motor Vehicle Highway Account, 20% to the Indiana State Police, and 10% to the Office of the Attorney General. Boat dealer license fees are retained by the SOS.

Dealer plate fees are distributed in the following manner: 30% Dealer Compliance Account and 70% Motor Vehicle Highway Account.

*Dealer Compliance Account:* The funds within this account are used by the SOS to enforce and administer motor vehicle dealer laws and regulations.

*Motor Vehicle Highway Account (MVHA):* From the MVHA, 53% of the funds are used by the Indiana Department of Transportation for traffic safety and the construction and maintenance of state highways. The remaining funds are allocated to local units. The counties, cities, and towns may use the funds for the expenses of highway and street departments, the construction, maintenance, and reconstruction costs of roads, and equipment purchases. Cities and towns may use a portion of their distribution for public safety expenses.

*Indiana State Police Motor Vehicle Odometer Fund:* The funds are used by the Indiana State Police to enforce odometer laws.

*Attorney General Odometer Fund:* The funds are used by the Attorney General to enforce odometer laws.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** This bill will likely increase revenue to the MVHA, resulting in more funds available for distribution to local units. The bill may result in an estimated \$22,000 increase in revenue to be allocated among the local units beginning in FY 2016.

**State Agencies Affected:** SOS-Auto Dealer Services Division, Indiana Department of Transportation, Indiana State Police, Attorney General.

**Local Agencies Affected:** Counties, cities, and towns.

**Information Sources:** Secretary of State, *List of Valid Indiana Motor Vehicle Dealers*, updated November 21, 2014, retrieved December 22, 2014.

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